

**Bellaire Village Council
Work Session Meeting Minutes
February 26, 2019**

1. **Call to Order:** President Schulz called the meeting to order at 7:00 PM.
2. **Roll Call Attendance:**
 - Present:** President David Schulz, Council Trustees David Ciganick, Bryan Hardy, Eldon McPherson, Trish Drollinger and Helen Schuckel.
 - Absent:** Trustee Dan Bennett
 - Staff Present:** Lori Lockett, Clerk, Cathy Odom, Treasurer & Brad Keiser, DPW Supervisor.
 - Also Present:** Eric Shumaker, Jennifer Hodges and Mike Engels.
3. **Approval of Agenda:** The agenda was approved.

Motion by Schuckel, seconded by Hardy, to approve the agenda as presented. Motion carried by voice vote.
4. **Public Comment on Agenda Items:** None presented.
5. **Old Business:** None presented.
6. **New Business:**
 - a. **Water/Sewer Rates:** Mike Engels from the MRWA was in attendance to review the rate study he recently completed for the Village of Bellaire.

Council first reviewed the sewer portion of the study with Treasurer Odom explaining that it represents nothing set aside for future capital improvements, but does include the USDA payment and reserves that are required to be set aside during the life of the bond. Mr. Engels explained the required reserve account. It will include 1/10th of the bond amount and will cover the last year's bond payment plus a portion for a RRI (repair, replacement & improvement account). Once the bond reserve amount is met, the difference is placed into the RRI account. The funds in this account can be used for repair, replacement and improvements to the system. Mr. Engels explained that when we complete a rate study, it basically sets the budget. The budget included in this current rate study is the FY2019-20 budget. Based on the current budget and the future bond information included in this study, a slight increase to the sewer rates is suggested. There was also discussion about the funds set aside for sludge removal and if those funds can also be used for bond rehabilitation.

Council then reviewed the water portion of the rate study. As with the sewer portion, the study did not include anything for capital improvements and there is nothing included for the mandated waterline replacement project. The study does include \$10,000 for labor to locate lines that have to be replaced. Mr. Keiser explained that if we say a line doesn't have to be replaced, we have to prove that it doesn't. The only way to prove it is to dig it up. Based on the current study, the water rates would slightly increase. Mr. Engels explained that our report for waterline replacement is due by January 2020 and unless we submit an alternative plan by 2021, we have to start replacing the lines by 5% each year over the next 20 years. We can provide an alternative plan and if reasonable they will likely approve it. He suggested committee review what has to be completed and set up a capital improvement plan that can be followed. This plan would outline, in detail, where the lines to replace are located and what the actual replacement consists of. It would also help set up a timeline for completing the project. Mr. Keiser suggests that we get started on this immediately because it will take time to complete the initial report by January and then plan for the actual replacement. Costs for the project will also have to be determined. Jennifer Hodges from Gourdie Fraser explained some of the requirements of the waterline replacement. There are currently no grants available for this. There are some loans available. The state has a 20 year loan available and will allow those funds to be used on private property. Mr. Engels explained that there are 40 year USDA loans that do not allow for use on private property, but they may consider the state loan as the municipal contribution for theirs. Different financing options were discussed. The best ways to notify the residents of the waterline replacement project was also discussed. The Council recommends that the Public Works Committee begin to meet regularly on the waterline replacement project, making sure all reports and plans needed are in

place when due. Council also discussed waiting on any rate increase until actual costs are in place so that a rate increase only happens once.

- 7. **Discussion Items:** None presented.
- 8. **Closing Member/Public Comment:** None presented.
- 9. **Adjourn:** Meeting adjourned at 8:10 P.M.

Compiled by Cathy Odom
Minutes are subject to approval.

Approved: _____

Date: _____